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**JILIN CHEMICAL INDUSTRIAL COMPANY LIMITED**  
**吉林化學工業股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 0368)**

**ANNOUNCEMENT IN CONNECTION  
WITH AN ANTI-DUMPING INVESTIGATION**

Jilin Chemical Industrial Company Limited and two other enterprises filed an anti-dumping investigation application to the Ministry of Commerce of the People's Republic of China on 19 May 2004 with respect to dimethyl cyclosiloxane imports, and the Ministry of Commerce of the People's Republic of China has confirmed its intention to conduct a formal anti-dumping investigation into such matter on 16 July 2004.

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and a similar announcement will be simultaneously disclosed in Shenzhen, the People's Republic of China ("**PRC**") as required by the Shenzhen Stock Exchange.

Jilin Chemical Industrial Company Limited (the "**Company**") and two other enterprises who as at the date of this announcement are not connected persons of the Company (as defined under the Listing Rules) filed an anti-dumping investigation application to the Ministry of Commerce of the PRC ("**MOFCOM**") on 19 May 2004 with respect to dimethyl cyclosiloxane ("**DC**") imports into the PRC from Japan, the United States, the United Kingdom and Germany, on behalf of domestic industrial enterprises producing DC. MOFCOM issued notice No. 36 of 2004 on 16 July 2004 confirming its intention to conduct a formal anti-dumping investigation with respect to DC imports from Japan, the United States, the United Kingdom and Germany from that date onwards. The investigation is expected to be completed by 16 July 2005, however, it may be extended to 16 January 2006 under special circumstances. Although DC is a type of organic silicon product currently produced by the Company, it is not a primary product of the Company and its sales revenue represented less than 1% of the turnover from principal operations of the Company for the year ended 31 December 2003. Therefore, the results of the anti-dumping investigation of DC imports will not have any significant impact on the operations of the Company and its subsidiaries. Nevertheless, an anti-dumping investigation by MOFCOM with respect to DC imports will be constructive in promoting an orderly market economy for the DC industry and in creating an equal trading environment for the Company to produce and sell DC and other organic silicon products.

By Order of the Board  
**Zhang Liyan**  
*Company Secretary*

20 July 2004, Jilin

As of the date of this Announcement, the composition of the Board of Directors is as follows:

**Executive Directors:** Yu Li, Shi Jianxun, Zhang Xingfu

**Non-executive Directors:** Xu Fengli, Ni Muhua, Jiang Jixiang, Lan Yunsheng

**Independent Non-executive Directors:** Lü Yanfeng, Wang Peirong, Zhou Henglong, Fanny Li

“Please also refer to the published version of this announcement in The Standard”